

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07
CEA-01 L-03 H-01 PA-01 AGRE-00 /096 W
-----073339 050703Z /17

P R 021020Z JUN 78 ZDK TO ALL ADDRESSEES DUE TO NUMEROUS SVCS
FM AMEMBASSY WARSAW
TO SECSTATE WASHDC PRIORITY 5403
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY PARIS
AMEMBASSY ROME

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E.O. 11652: N/A
TAGS: EFIN EEWT US PL
SUBJ: LONDON ARTICLE ON POLISH DEBT RENEGOTIATION

REF: LONDON 8556

1. BRITISH EMBASSY SOURCES HAVE TOLD US THEY HAVE NO IDEA AS TO THE POSSIBLE "INFORMED GOVERNMENT SOURCE" CITED IN THE "THE TIMES" ARTICLE REPORTED IN REF. THEY SURMISE THAT THE MAY 20 REUTERS REPORT ON SECRETARY BERGLAND'S PRESS CONFERENCE HERE, AND THE ONE-PARAGRAPH ARTICLE IN THE MAY 22 ISSUE OF THE FINANCIAL TIMES, MAY HAVE BEEN THE REAL SOURCES OF THE STORY.

2. THE TEXT OF THE MAY 20 REUTERS REPORT FOLLOWS:

"U.S. AND POLISH OFFICIALS WILL DISCUSS LATER THIS YEAR THE PROSPECTS OF GRANTING POLAND LONGER-TERM LOANS THAN THEY HAVE
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AT PRESENT FOR BUYING AMERICAN GRAIN AND ANIMAL FEED, AGRICULTURE SECRETARY BOB BERGLAND SAID TODAY. MR. BERGLAND TOLD A NEWS CONFERENCE AFTER A 48-HOUR VISIT HERE THAT HE HAD DISCUSSED WITH POLISH LEADERS THE 500-MILLION DOLLAR CREDIT THE U.S. GAVE POLAND THIS YEAR FOR GRAIN AND FODDER PURCHASES. UNDER THAT AUTHORITY THE LOAN MUST BE REPAYED IN THREE ANNUAL INSTALLMENTS, AND THE LEADERS OF POLAND HAVE ASKED FOR SOME ADDITIONAL TIME IN WHICH

TO MAKE THESE INSTALLMENT PAYMENTS, MR. BERGLAND SAID. SEVERAL U.S. GOVERNMENT DEPARTMENTS WOULD HOLD TALKS WITH POLISH OFFICIALS IN WASHINGTON IN JULY TO SEE IF A MORE LONG-RANGE FINANCING AGREEMENT CAN BE AGREED TO, HE SAID. U.S. OFFICIALS SAID AFTERWARDS, HOWEVER, THAT THE TERMS OF THE 500-MILLION DOLLAR LOAN, GRANTED BY THE AGRICULTURE DEPARTMENT'S COMMODITY CREDIT CORPORATION (CCC), COULD NOT BE CHANGED AND THE TALKS WOULD CONCERN FUTURE LOANS FOR FURTHER PURCHASES."

3. WE WOULD APPRECIATE LEARNING IF THE ARTICLE IN "THE TIMES" GENERATES ANY ADDITIONAL PRESS COVERAGE. WE HAVE TOLD WESTERN EMBASSY OFFICERS HERE THAT POLISH REQUESTS REPRESENT NO CHANGE FROM THOSE WHICH THEY PUT FORWARD LAST YEAR.

4. WE ALSO BELIEVE -- AFTER REVIEWING THE FULL TEXT OF THE TIMES ARTICLE WHICH REACHED WARSAW ON JUNE 2 -- THAT THE IN-ACCURACIES WHICH IT CONTAINS WILL BE APPARENT TO MOST FINANCIAL OBSERVERS. THE ARTICLE IS 180 DEGREES OFF IN STATING THAT "AMERICAN COMMERCIAL BANKS ARE THEREFORE, IN EFFECT, GUARANTEEING THE (CCC) CREDITS TO POLAND WHICH THE AMERICAN GOVERNMENT IS MAKING." FURTHERMORE, IT MISTAKENLY ASSOCIATES THE GOP'S REQUEST FOR TEN-YEAR CREDITS FOR NEW GRAIN PURCHASES, (DESIRED UNDER A LONG-TERM GRAIN PURCHASING AGREEMENT WITH THE UNITED STATES) WITH CCC CREDITS WHICH HAVE BEEN GRANTED FOR THE CURRENT FISCAL YEAR.

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NOTE BY OC/T: TELEGRAM DELAYED IN TRANSMISSION.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, DEBT REPAYMENTS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978WARSAW04627
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780233-1236
Format: TEL
From: WARSAW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197806100/aaaadhzi.tel
Line Count: 96
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8e13077c-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 LONDON 8556
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 27 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2135524
Secure: OPEN
Status: NATIVE
Subject: LONDON ARTICLE ON POLISH DEBT RENEGOTIATION
TAGS: EFIN, EEWT, US, PL
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/8e13077c-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014